

## Members of the Kansas Health Policy Authority

The Quality Assessment model we are to speak with you about is an opportunity to maximize federal Medicaid monies.

Let's be clear about what you being asked to consider. You are not being asked to endorse a "tax on the elderly" as some would have you believe. You are being asked to hold true to the mission of the KHPA, by taking necessary and logical steps to improve the quality of care for our most vulnerable and fastest growing population.

The quality assessment for nursing homes is something 13 states have adopted since 2004. At a time when Kansas adult care homes lose between \$12-15 per day, per Medicaid resident, the state has the opportunity to do as 33 other states have, by using available federal dollars, exactly the same way we did to assist Kansas Hospitals, to solve a significant and growing Kansas problem.

As important as hospitals are to our local communities, I respectfully suggest that our skilled nursing homes (perhaps the one your family member is in...) are equally important to our local communities. Sometimes the fact is not realized until a struggling home shuts down, hurting the community, the residents, and their families. In Kansas over 175 facilities have closed in the last ten years.

We are suggesting a system designed for providers to have more dollars for direct care, dementia (cognitively impaired) care, for environmental improvements such as replacing and renovating buildings 30 or 40 years old. We will also propose cost containment measures to limit administrative costs.

Our opposition has been those who have low Medicaid populations. These providers have made a business decision to either not serve the indigent population or limit Medicaid admissions primarily to those who have first exhausted their personal resources at the facility as a private client. This group represents less than 10% of the facilities in the state. The other 90%, who represent the vast majority of the state's Medicaid population stand to gain far more in enhanced Medicaid revenues than their total assessment cost. As such there will be no need for these facilities to pass on the assessment cost to the private pay residents and we plan to include in our legislation that providers cannot raise their private rates as a result of the quality assessment.

This program, as we have designed it, will generate \$48 million in increased federal funding to support rate increases for nursing homes. In addition, another \$17 million will be available for the state. The question is: Do we allow a small minority of facilities, whose mission is not to serve the Medicaid population, to quash a program that will provide \$48 million more to increase and enhance services to indigent residents in our nursing homes. This small minority is not prohibited from reaping these benefits; they simply choose not to by limiting their

Medicaid volume. That is their business decision. In reality it has nothing to do with taxing grandma but everything to do with maintaining their low Medicaid volume business model without incurring an additional cost in doing so.

This gives us the opportunity to use the same federal matching dollars other state have been using to improve the quality of life for their residents. This will be the difference between just getting by and having the opportunity to provide a more home-like environment for all Kansas residents.